



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Tessa Jowell MP  
House of Commons  
London  
SW1A 0AA

Your ref: 01084243

Dear Tessa

**18 FEB 2009**

Thank you for your letter of 17 December 2008 to Alistair Darling enclosing correspondence from your constituents, about excise duty on beer. I am replying as Minister responsible and I am sorry for the delay.

The Government recognises, and values, the contribution that the pub industry makes to employment, the life of local communities and to the economy. We are aware of the pressures that pubs face during the economic downturn, alongside increasing costs and the impact of the smoking ban legislation. However, the changes in the demand for beer, which is adversely affecting the pub industry are the result of many factors including shifting tastes and increased choice in leisure pursuits including home entertainment and coffee shops.

In order to help the pub industry it has been suggested that additional duty should be charged on alcohol sold in supermarkets. However, due to EU legislation the government is not able to give a different tax treatment to the same product. This makes it impossible for the government to tax the sale of alcohol in one place, such as in a supermarket, differently to another, such as a pub.

Alcohol duty is an important revenue stream for the Government and there are currently no plans to change what was announced in the Pre-Budget Report 2008, though as with all taxes, alcohol duty rates will be kept under review. It is also important to note that when debated in Committee, the Conservative party did not vote against the changes to duty announced in the Pre-Budget Report and no party voted against the order when it was put before the whole House.

The duty changes must also be considered alongside the fiscal stimulus package of bringing forward public capital spending and temporarily reducing the standard rate of VAT which when taken together will leave alcohol prices broadly unchanged. Also, like all other sectors, the alcohol industry will benefit from the positive effect of the fiscal stimulus on the economy and hence on consumption, for example with the reduction in VAT, households will have, on average, an additional £275 to spend or save per year.



Your letter also mentions enforcement of current policies to deal with irresponsible drinkers. Whilst the vast majority of people consume alcohol responsibly there are undoubtedly some individuals who cause problems. The Government takes the problems associated with alcohol misuse seriously and has an important role to play: in making sure people are able to make informed choices, and encouraging drinkers to drink responsibly; in making sure businesses sell alcohol responsibly; and in making clear that individual choice is never an excuse for causing harm and distress to others, and that the police, local authorities, and others have the powers to stop this and are encouraged to use them.

The police and local authorities have a wide range of tools and powers to address disorder. These can range from individual interventions such as Acceptable Behaviour Contracts and Anti-social Behaviour Orders, or area based interventions to stop disorder occurring in specific locations, including Dispersal Orders. Where appropriate the police can deal with offences by using penalty notices for disorder. These can be used for public order offences – such as behaviour likely to cause harassment, alarm or distress or disorderly behaviour including offences of drunkenness in public.

The Government's plans to produce a sustainable reduction in alcohol related harms are outlined in "Safe, Sensible, Social", a major cross-government strategy first published in June 2007 which detailed our cross-departmental intentions in respect of the wider social problems that alcohol can cause. This enforces the powers to bear down on irresponsibly managed bars, pubs and off licenses, and ensure everyone has the information they need to estimate how much they drink.

I hope that this helps you respond to your constituents.

Yours sincerely

A handwritten signature in black ink that reads 'Angela Eagle.' The signature is written in a cursive, flowing style.

**ANGELA EAGLE MP**